

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-235
JUNE 3, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
HUD BUDGET REVISIONS FOR FISCAL YEAR 1996 AND AUTHORIZATION TO TRANSFER FUNDS FROM SECTION 8 RESERVES	◆ RESOLUTION ORDINANCE RECEIVE/FILE	WILLIAM WILKINS HOUSING SERVICES DEPARTMENT

SYNOPSIS —

A budget revision for Fiscal Year 1996, and authorization to transfer funds from Section 8 Operating Reserves to Owned Housing budget, for the Department of Housing Services has been prepared.

FISCAL IMPACT —

Section 8 Reserves in the amount of \$335,000 will be transferred to Owned Housing operations. There is no impact on the City's General Fund.

RECOMMENDATION —

Approval of the revision and transfer of funds

BACKGROUND —

Each year local housing authorities are required to submit budget revisions to the U.S. Department of Housing and Urban Development (HUD) which authorizes the internal reappropriation of funds.

The Housing Services Department has two major sources of funding. Section 8 Programs are allocated funds for Housing Assistance Payments to participating landlords, and Administrative Funds are generated for program operations. Reserves are a direct result of balances from the Administrative Funds. The Owned Housing Program is a compilation of housing and senior manors owned and managed by the department. Revenues are generated through rentals and supplemental funds from HUD.

As a result of a shortfall in revenues and increased maintenance expenses, the Owned Housing Program requires a transfer of funds from the Section 8 Programs. In order to balance the budget for the close of Fiscal Year 1996, a transfer of \$335,000 from Section 8 Programs to Owned Housing Program must be authorized by City Council and approved by HUD.

The Public Housing Board reviewed the revised budget at their meeting of May 22, 1996.